

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A280.3449
C39

Reser

MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE, MARKETING AREA
May 1963

Volume 7

Number 10

Released Pursuant to §1090.27 (j) and §1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator



MARKET SUMMARY MAY 1963

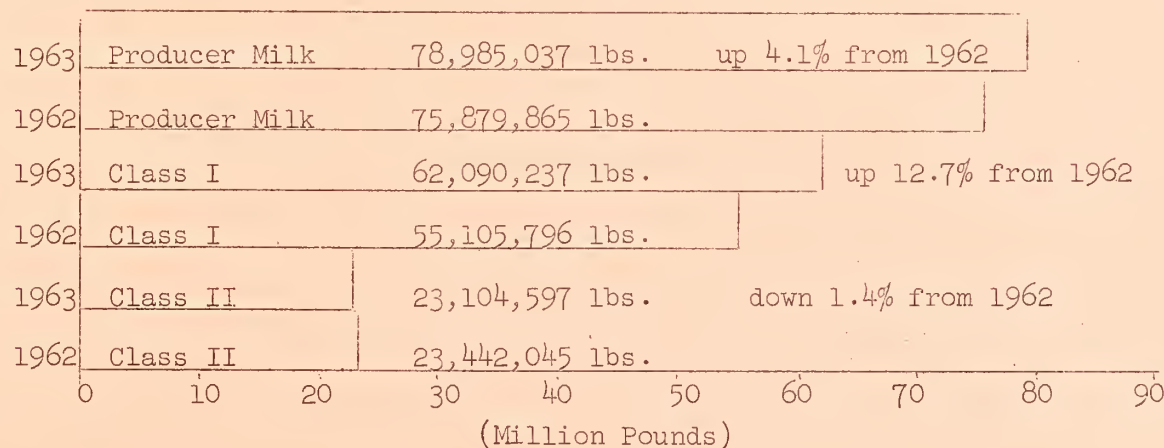
The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.34, Excess Milk \$2.62. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%.

During May 74.6% of the total producer milk was priced in Class I at \$4.79 per cwt. with a butterfat differential of 7.5 cents and 25.4% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 74.9% and 66.1% respectively. Base milk was 92.2% and excess milk was 7.8% of the total producer deliveries. All excess milk and 19.1% of base milk was priced in Class II and 80.9% of base milk was priced in Class I.

The daily average deliveries of producer milk during May decreased 3.5% compared with April and increased 7.3% compared with May 1962. The daily average use of Class I milk decreased 2.5% compared with April and increased 19.0% compared with May 1962. The daily average base delivered was 94.1% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,685 - Handler Finished Products 254.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU MAY)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>May '63</u>	<u>Apr. '63</u>	<u>May '62</u>
Number of Plants (Pool and Non-Pool)	16	16	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries - Base	517,411	523,349	459,802
- Excess	43,704	58,413	63,153
- Total	561,115	581,762	522,955
% May '63 compared with:	100.0	96.5	107.3
Other Source	16,015	18,361	12,573
Other Order	31,087	38,316	10,891
Total Milk Receipts	608,217	638,439	546,419
% May '63 compared with:	100.0	95.3	111.3
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	342,899	351,937	289,148
Fluid Skim	19,845	20,641	16,270
Buttermilk	44,795	44,976	39,027
Flavored Milk and Drink	11,554	12,173	8,855
Fluid Creams (Sweet & Sour)	3,118	2,724	2,723
Bulk to Non-Handlers	1,526	1,654	-
Shrinkage Class I	1,791	1,838	1,175
Other	(798)	(488)	(301)
Total Class I Milk	424,730	435,455	356,897
% May '63 compared with:	100.0	97.5	119.0
Class II Uses:			
Butter	6,660	6,356	4,946
Cottage Cheese	20,316	23,514	20,991
Powdered and Condensed Milk	98,724	107,438	114,948
Ice Cream	48,053	51,266	44,971
Stockfeed	4,871	5,231	5,213
Shrinkage Class II	9,201	10,679	7,396
Other	(4,338)	(1,500)	(8,943)
Total Class II Milk	183,487	202,984	189,522
% May '63 compared with:	100.0	90.4	96.8
Gross Class I Butterfat Pounds	15,025	15,413	12,601
Gross Class II Butterfat Pounds	8,759	9,547	8,957
Total Butterfat Pounds	23,784	24,960	21,558
% Producer Milk of Gross Class I	132.1	133.6	146.5
% Producer Milk priced in Class I	74.6	73.8	67.4

JUNE 1963 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>June '63</u>	<u>May '63</u>	<u>June '62</u>
Basic Formula	\$3.07	\$3.08	\$3.045
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	-0-	(0.04)	(0.26)
Class I Price, 3.5% Butterfat	\$4.82	\$4.79	\$4.535
<u>Per \$ 1090.51 (a)</u>			
Supply-Demand Comparison: 1st and 2nd preceding months: April and May			
Supply: Lbs. Producer Milk (Apr. 17,452,874 and May 17,394,556)			34,847,430
Demand: Lbs. Net Class I Milk (Apr. 12,909,294 and May 13,002,180)			25,911,474
Utilization Percentage: Producer milk divided by Class I			134
Standard Utilization Percentage: Range 134-138			134
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the standard utilization range of 134-138.

COMPUTATION OF UNIFORM PRODUCER PRICES FOR MAY 1963

Based on 15 plant reports prior to audit (One plant excluded per \$1090.72(a))

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		12,562,409	3.536		
Less Other Source		194,790	2.545		
Producer Milk Class I	73.9	12,367,619	3.551516	\$4.828637	\$597,187.43
Gross Class II		5,603,533	4.749		
Less Other Source		1,237,893	2.820		
Producer Milk Class II	26.1	4,365,640	5.296085	3.863377	168,661.13
TOTAL PROD. (Cl. I + Cl. II)	100.0	16,733,259	4.006667		765,848.56
Add Fractional Adjustment					.08
Add Compensatory Payment Value					294.24
Add Overage Value					309.79
Add Inventory Reclassification Value					351.19
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					6,518.13
TOTAL VALUE AT TEST		16,733,259	4.006667		773,321.99
Less Test Over 3.5% @ 7.2¢ per point		16,733,259	.506667	0.364800	61,042.93
TOTAL PRODUCER MILK VALUE AT 3.5% TEST		16,733,259	3.5		712,279.06
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,258,029	\$2.66	\$33,463.57	
Total Excess Producer Milk		1,258,029	2.66	33,463.57	
Less Prod.-Settlement Fund Res. @ 4¢		1,258,029	.04		503.21
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		1,258,029	2.62		32,960.36
Value of Base Milk (Total less Excess)		15,475,230	4.386465		678,815.49
Less Producer-Settlement Fund Reserve		15,475,230	.046465		7,190.57
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		15,475,230	\$4.34		\$671,624.92

MAY 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$3.98	\$2.26	4.0	\$4.70	\$2.98	5.0	\$5.42	\$3.70
3.05	4.016	2.296	4.05	4.736	3.016	5.05	5.456	3.736
3.1	4.052	2.332	4.1	4.772	3.052	5.1	5.492	3.772
3.15	4.088	2.368	4.15	4.808	3.088	5.15	5.528	3.808
3.2	4.124	2.404	4.2	4.844	3.124	5.2	5.564	3.844
3.25	4.16	2.44	4.25	4.88	3.16	5.25	5.60	3.88
3.3	4.196	2.476	4.3	4.916	3.196	5.3	5.636	3.916
3.35	4.232	2.512	4.35	4.952	3.232	5.35	5.672	3.952
3.4	4.268	2.548	4.4	4.988	3.268	5.4	5.708	3.988
3.45	4.304	2.584	4.45	5.024	3.304	5.45	5.744	4.024
3.5	4.34	2.62	4.5	5.06	3.34	5.5	5.78	4.06
3.55	4.376	2.656	4.55	5.096	3.376	5.55	5.816	4.096
3.6	4.412	2.692	4.6	5.132	3.412	5.6	5.852	4.132
3.65	4.448	2.728	4.65	5.168	3.448	5.65	5.888	4.168
3.7	4.484	2.764	4.7	5.204	3.484	5.7	5.924	4.204
3.75	4.52	2.80	4.75	5.24	3.52	5.75	5.96	4.24
3.8	4.556	2.836	4.8	5.276	3.556	5.8	5.996	4.276
3.85	4.592	2.872	4.85	5.312	3.592	5.85	6.032	4.312
3.9	4.628	2.908	4.9	5.348	3.628	5.9	6.068	4.348
3.95	4.664	2.944	4.95	5.384	3.664	5.95	6.104	4.384

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '62	\$3.93 ^{2/}	\$4.12	\$2.60	7.2¢	\$4.575	7.5¢	\$2.665	6.7¢
June	4.00 ^{2/}	4.16	2.60	7.2	4.535	7.5	2.665	6.7
July	4.01 ^{2/}	4.19	2.59	7.2	4.655	7.5	2.655	6.7
Aug.	4.05	-	-	7.2	4.60	7.5	2.66	6.7
Sept.	4.02	-	-	7.2	4.37	7.5	3.06	6.7
Oct.	4.03	-	-	7.2	4.39	7.6	3.05	6.7
Nov.	4.20	-	-	7.2	4.52	7.5	3.09	6.7
Dec.	4.20	-	-	7.2	4.65	7.5	3.09	6.7
Jan. '63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	4.24	-	-	7.2	4.63	7.5	2.76	6.7
Mar.	4.33 ^{2/}	4.42	2.71	7.2	4.75	7.5	2.75	6.7
Apr.	4.23 ^{2/}	4.41	2.66	7.2	4.82	7.5	2.70	6.7
May	4.21 ^{2/}	4.34	2.62	7.2	4.79	7.5	2.66	6.7
June	-	-	-	-	4.82	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk ^{4/} \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	
May '62	2.665	3.085	3.000	57.966	13.530	-
June	2.665	3.045	3.000	57.940	13.330	-
July	2.655	3.045	2.988	57.960	13.370	3.03
Aug.	2.66	3.05	3.000	57.970	13.270	3.04
Sept.	2.66	3.06	3.000	58.280	13.400	3.06
Oct.	2.66	3.05	3.000	57.960	13.440	3.07
Nov.	2.72	3.09	3.050	57.990	13.760	3.10
Dec.	2.75	3.09	3.081	57.980	13.860	3.11
Jan. '63	2.76	3.09	3.100	57.970	13.920	3.10
Feb.	2.76	3.08	3.100	57.940	13.950	3.10
Mar.	2.75	3.12	3.088	57.970	14.070	3.09
Apr.	2.70	3.09	3.031	57.970	13.970	3.08
May	2.66	3.09	3.000	57.970	13.940	3.07

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test%
May '62	14	546,419	356,897	352,503	522,955	459,802	678	771	678	93	4.03
June	14	510,155	353,585	349,410	486,065	437,132	678	717	645	72	4.08
July	14	506,519	338,196	334,149	480,832	425,757	677	710	629	81	4.05
Aug.	14	521,314	361,566	357,051	496,326	-	677	733	-	-	4.04
Sept.	14	528,521	385,941	381,658	508,196	-	673	755	-	-	4.09
Oct.	14	541,862	397,921	393,375	525,608	-	673	781	-	-	4.29
Nov.	14	514,930	408,451	403,240	500,085	-	672	744	-	-	4.41
Dec.	14	513,491	372,020	367,290	496,734	-	668	744	-	-	4.41
Jan. '63	15	508,261	389,638	383,143	493,018	-	666	740	-	-	4.36
Feb.	15	543,770	407,032	400,638	497,455	-	694	717	-	-	4.32
Mar.	16	522,751	399,493	385,841	481,462	457,343	661	728	692	36	4.17
Apr.	16	638,439	435,455	429,486	581,762	523,349	706	824	741	83	4.02
May	16	608,217	424,730	418,446	561,115	517,411	701	800	738	62	4.01

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I^{4/} Effective with Order Amendment August 1962

The following pool and non-pool plants filed a report and were subject to Federal Order No. 90 regulation for the period of May 1963:

<u>Handlers</u>	<u>Address</u>
Chattanooga Area Milk Prod. Assn.	Chattanooga, Tennessee
Cunninghams Dairy	Rossville, Georgia
Grant-Patten Milk Co., Inc.	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Rossville, Georgia
C. D. Haslerig & Sons Dairy	Chickamauga, Georgia
Home Stores, Inc.	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	Athens, Tennessee
Ray Moss Farms, Inc.	Chattanooga, Tennessee
Paramount Dairies, Inc.	Dalton, Georgia
Sealtest Foods-Southern Division	Chattanooga, Tennessee
Columbia Dairy Products, Inc.	Tullahoma, Tennessee
Nance Dairy, Inc.	Ringgold, Georgia
French Broad Dairy, Inc.*	Knoxville, Tennessee
Miss Tennessee Dairies, Inc.*	Knoxville, Tennessee
Sealtest Foods-Southern Division*	Knoxville, Tennessee
Stoffell's Dairy, Inc.*	Knoxville, Tennessee

* Regulated pool plants under Knoxville Order No. 101

JUNE IS DAIRY MONTH

Secretary of Agriculture Orville L. Freeman urged all Americans to enjoy the benefits of plentiful milk and dairy products, in calling attention to the dairy industry's 27th annual "June is Dairy Month" observance.

In 1963, milk production may reach a level of about 126 billion pounds, or enough to supply every man, woman, and child in the United States with about a quart of milk a day, the Secretary pointed out. Every state in the Union produces milk, and dairying accounts for about 14 percent of total farm income.

"The peak milk production month of June is a particularly appropriate time to pay tribute to the efficiency of the Nation's dairymen in supplying this abundance of healthful dairy foods every month of the year," he said.

"Milk is fundamental in any well-balanced diet, and better diets and better health in general have helped our children grow more vigorous and sturdy. At the same time, milk offers our older citizens their best and most economical source of calcium as well as a good source of protein, the building block of life," Secretary Freeman emphasized.

In recognition of the dairy industry's contribution to American diets and American agriculture, the USDA is wholeheartedly and actively endorsing the "June is Dairy Month" effort, Secretary Freeman said.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Milk Marketing Orders Division
CHATTANOOGA, TENNESSEE, MARKETING AREA
Federal Order No. 90

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

The Market Administrator received a request dated June 5, 1963, quoted below, from Chattanooga Area Milk Producers Association that all producers supplying milk for the Chattanooga Marketing Area be given an opportunity to continue contributing to the American Dairy Association and Dairy Council.

"Whereas, A determination was made by the Market Administrator in June 1962 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and the American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

The Market Administrator has made a review of current producer deductions and the Associations' request. By these and other means, as in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible as a result of this determination for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (1¢ DC and 2¢ ADA) from payments to milk producers, provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1963. The producer association and all handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. My auditors will examine all letters which producers send handlers or the Association regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

/s/ J. B. McCroskey
Market Administrator

Date: June 5, 1963